



HOUSE BILL 1105: Coronavirus Relief Act 3.0, Sec. 1.5: Job Retention Grant Program

2019-2020 General Assembly

Committee:
Introduced by:
Analysis of: Sec. 1.5 of S.L. 2020-97

Date: September 24, 2020
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OVERVIEW: *This provision does the following:*

- *Allocates an additional \$45.5 million of the federal funds in the Coronavirus Relief Fund to the Job Retention Grant program created by S.L. 2020-80.*
- *Corrects a statutory reference that will enable 501(c)(6) entities to be eligible for a grant under this program.*
- *Provides that if any funds remain available after the first round of grants, a second round of grants will be made available solely for a business or nonprofit that employs 20 or fewer employees.*

CURRENT LAW AND BILL ANALYSIS: S.L. 2020-80 created a Job Retention Grant program to help a business or nonprofit that retained jobs in North Carolina, suffered an economic loss during the period of the pandemic and did not participate in the other available federal programs.¹ It provided \$15 million for the program. The maximum grant amount is equal to two months of the eligible applicant's average monthly payroll costs from the last year plus 25% of that amount, not to exceed \$250,000. The total of all funds granted under this Program may not exceed \$15 million. The Economic Investment Committee (EIC) must calculate the total amount of grants requested from the applicants timely filed. If the total amount of grants requested exceeds the maximum amount of funds available, the EIC must reduce each grant award on a proportionate basis. The deadline for applying for a grant was September 1, 2020. As of August 31st, the grant application requests exceeded \$50 million.

Section 1.1(c) increased the allocation of federal CARES act funds to the program from \$15 million to \$60.5 million in the hope of fully funding the grant application requests. Section 1.5 corrected a statutory reference and provided for a second round of grants solely for a business or nonprofit that employs 20 or fewer employees if funds remained available after the first round of grants. As of the September 1st deadline, the grant application requests exceeded \$70 million.

¹ [Summary of S.L. 2020-80, re: Job Retention Grant Program](#). H1023-SMRB-97(sl)

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